



EXECUTIVE OFFICE OF THE PRESIDENT
BUREAU OF THE BUDGET
WASHINGTON 25, D. C.

JUN 30 1950

My dear Admiral Hillenkoetter:

The President has established the following policies and assumptions to govern the preparation of the 1952 Budget. The material contained in this letter is for the guidance of your agency in preparing its estimates, and is not to be released outside the agency.

Economic Assumptions

Private employment, production, and national income will rise, the increase in employment absorbing all the growth in the labor force. The increase in production and national income will result from the rising level of employment and from continuing improvement in labor and industrial productivity.

Prices will be at approximately the July 1950 level. (Agencies will be asked to discuss at the time of their budget hearings the effect of any price or cost trends which are contrary to these assumptions and which will affect their estimates.

More detailed information on these assumptions as they are related to specific problems in your agency will be supplied to your budget staff.

Budget Policies

Estimates for 1952 should plan only for the support of minimum essential services assuming the most economical and efficient operation:

1. Each program should receive careful scrutiny as to need and lower priority activities should be curtailed or eliminated.
2. Provision should be made only for minimum acceptable standards of service and maintenance even though such standards may involve some reduction in service or increase in deferred work.
3. Estimates should anticipate increased efficiency in operation.
4. No increase in operations should be contemplated unless exceptional circumstances clearly require it and only if the public need is so urgent that it cannot be postponed.

Date and Completeness of Submission

A complete budget submission should be submitted during the first half of September for all requirements under existing legislation. This submission, which is due on or before September 15, should contain firm figures and should include all the explanations, schedules and justifications which are required under the provisions of Budget Circular No. A-11.

It is not expected that estimates for supplemental appropriations will be considered, except where they are necessary because of subsequent Congressional action, or where the supplemental is needed because of developments which were neither foreseen nor foreseeable.

There should be presented in the September 15 budget submission a complete list of legislative proposals which you recommend, showing as accurately as possible the estimated appropriations and expenditures which would be required under each proposal. This list should be in three parts:

1. Those items on the President's legislative program which have not yet been enacted. This list is to be limited to proposals which have been specifically identified by the President as a part of his program, or specifically held to be in accord with the program of the President.
2. Legislative proposals which would cause no increase in budgetary requirements.
3. Legislative proposals which would cause an increase in budgetary requirements. This list should be arranged to reflect relative priority among the items on the list and also the priority of these items with respect to other parts of the budget submission. The list should indicate the degree of urgency and information as to whether any of the projected cost could be offset by reductions in other parts of the agency's budget.

Sincerely yours,

(Signed) F. J. Lawton

Director

Rear Admiral Roscoe H. Hillenkoetter
Director
Central Intelligence Agency
Washington 25, D. C.

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CENTRAL INTELLIGENCE AGENCY
 OFFICIAL ROUTING SLIP

TO		INITIALS	DATE
1	OGC/LEGAL STAFF		
2	<i>Mr. Hariston</i>	<i>MR</i>	
3	<i>Mr. Kroschinsky</i>	<i>WP</i>	
4			
5			
FROM		INITIALS	DATE
1	DCI		5 July 50
2			
3			

☐ APPROVAL ☒ INFORMATION ☐ SIGNATURE
☐ ACTION ☐ DIRECT REPLY ☐ RETURN
☐ COMMENT ☐ PREPARATION OF REPLY ☐ DISPATCH
☐ CONCURRENCE ☐ RECOMMENDATION ☒ FILE

REMARKS: Original to Exec for info & action.

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